



Reports Fourth Quarter 2021 Financial Results

Lynnwood, WA / Accesswire / January 26, 2022 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$2.3 million or \$0.41 per share in the fourth quarter, as compared to \$1.8 million or \$0.33 per share for the same quarter of 2020, increasing by \$484 thousand or \$0.08 per share, primarily from generating higher net interest income. For the year, net income was an annual record of \$8.5 million or \$1.53 per share, increasing by \$2.3 million or \$0.41 per share from the same period last year, primarily from generating higher net interest income and not having to recognize the provision of loan losses this year.

As of December 31, 2021, total assets reached a record, \$455.7 million, increasing by \$51.8 million or 12.8% from the year earlier period of \$403.9 million. Net loans ended at a record \$321.8 million, increasing by \$31.7 million or 10.9% from the year earlier period of \$290.1 million. Finally, total deposits grew by \$36.8 million or 10.9% to a record, \$374.4 million, from the year earlier period of \$337.6 million.

“We had a very profitable year and have continued to attain record growth quarter after quarter despite the economic uncertainties and public health challenges,” said Peter Park, President and CEO. He added that, “As a way of rewarding our shareholders, the board has approved the Stock Repurchase Program which has significantly increased our stock liquidity since it commenced in December of 2021. Although we continue to see headwinds in the banking industry and the broader economy, we will be increasing investments in our infrastructure so that we can deliver consistent results for years to come.”

2021 Fourth Quarter Financial Highlights

Total assets grew 12.8% to \$455.7 million as compared to \$403.9 million a year ago.

Net loans increased 10.9% to \$321.8 million as compared to \$290.1 million a year ago.

Total deposits grew 10.9% to \$374.4 million as compared to \$337.6 million a year ago.

Net income quarter-to-date grew 26.6% to \$2.3 million as compared to \$1.8 million one year ago.

Net income year-to-date grew 36.8% to \$8.5 million as compared to \$6.2 million one year ago.

Net interest margin for the year was 4.50% as compared to 4.22% one year ago.

Gain on sale of SBA/USDA loans for the year was \$3.7 million as compared to \$3.4 million a year ago.

Return on average equity for the year was 13.51% as compared to 11.45% a year ago.

Return on average assets for the year was 2.09% as compared to 1.68% a year ago.

The allowance for loan losses to loans, excluding PPP loans, was 1.42% as compared to 1.78% a year ago.

Nonperforming assets to total assets was 0.06% as compared to 0.19% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 52.87% as compared to 52.22% a year ago.

About U & I Financial Corp.

UniBank, the wholly-owned subsidiary of U & I Financial Corp. (OTCQX: UNIF), is one of the highest performing banks in Washington state in terms of return on assets. Based in Lynnwood, Washington, the Bank was founded in 2006 to serve the small to medium-sized businesses, professionals, and residents with a particular emphasis on Korean and other ethnic minority communities. Customers can access their accounts in any of the 4 branches – Lynnwood, Bellevue, Federal Way and Tacoma – online, or through the Bank’s ATM network.

For more information visit www.unibankusa.com or call (425) 275-9700.

Forward-Looking Statement Safe Harbor: This news release contains comments or information that constitutes forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Forward-looking statements describe U & I Financial Corp.’s projections, estimates, plans and expectations of future results and can be identified by words such as “believe,” “intend,” “estimate,” “likely,” “anticipate,” “expect,” “looking forward,” and other similar expressions. They are not guarantees of future performance. Actual results may differ materially from the results expressed in these forward-looking statements, which because of their forward-looking nature, are difficult to predict. Investors should not place undue reliance on any forward-looking statement, and should consider factors that might cause differences including but not limited to the degree of competition by traditional and nontraditional competitors, declines in real estate markets, an increase in unemployment or sustained high levels of unemployment; changes in interest rates; adverse changes in local, national and international economies; changes in the Federal Reserve’s actions that affect monetary and fiscal policies; changes in legislative or regulatory actions or reform, including without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SBA’s Paycheck Protection Program; demand for products and services; changes to the quality of the loan portfolio and our ability to succeed in our problem-asset resolution efforts; the ongoing uncertainties from COVID-19; the impact of technological advances; changes in tax laws; and other risk factors. U & I Financial Corp. undertakes no obligation to publicly update or clarify any forward-looking statement to reflect the impact of events or circumstances that may arise after the date of this release.

STATEMENT OF INCOME (Unaudited)

	Dec-21	Sep-21	Dec-20	Dec-21	Dec-20
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD
Interest Income	\$4,955	\$4,639	\$3,961	\$17,864	\$16,772
Interest Expense	172	179	292	747	2,044
Net Interest Income	4,783	4,460	3,669	17,117	14,728
Provision for Loan Losses	-	-	250	-	1,750
Gain on Sale of SBA/USDA Loans	804	1,191	1,402	3,656	3,398
Loan Servicing Fees, Net of Amortization	151	139	76	634	574
Other Non-interest Income	137	252	196	864	608
Non-interest Income	1,092	1,582	1,674	5,154	4,580
Salaries & Benefits	2,025	2,290	1,922	8,265	6,742
Occupancy Expense	172	171	172	686	685
Other Expense	834	689	751	2,824	2,615
Non-interest Expense	3,031	3,150	2,845	11,775	10,042
Net Income before Income Taxes	2,844	2,892	2,248	10,496	7,516
Income Taxes	540	553	428	1,994	1,303
Net Income/(Loss)	\$2,304	\$2,339	\$1,820	\$8,502	\$6,213
Total Outstanding Shares <i>(in thousands)</i>	5,562	5,579	5,579	5,562	5,579
Basic Earnings per Share	\$0.41	\$0.42	\$0.33	\$1.53	\$1.12

Statement of Condition (Unaudited)

	Dec-21	Sep-21	Variance	Dec-20	Variance
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Prior Qtr	Qtr End	Prior Year
Cash and Due from Banks	\$31,096	\$25,092	\$6,004	\$24,936	\$6,160
Investments	56,824	57,041	(217)	58,573	(1,749)
Loans Held for Sale	20,783	13,946	6,837	6,689	14,094
Gross Loans	326,340	322,810	3,530	294,618	31,722
Allowance for Loan Losses	(4,575)	(4,577)	2	(4,568)	(7)
Net Loans	321,765	318,233	3,532	290,050	31,715
Fixed Assets	7,190	5,676	1,514	5,891	1,299
Other Assets	18,025	17,632	393	17,759	266
Total Assets	\$455,683	\$437,620	\$18,063	\$403,898	\$51,785
Checking	\$98,487	\$103,786	(\$5,299)	79,648	\$18,839
NOW	11,546	12,154	(608)	8,837	2,709
Money Market	171,066	137,030	34,036	152,719	18,347
Savings	16,348	16,130	218	11,015	5,333
Certificates of Deposit	76,933	96,107	(19,174)	85,349	(8,416)
Total Deposits	374,380	365,207	9,173	337,568	36,812
Borrowed Funds	10,000	5,000	5,000	5,000	5,000
Other Liabilities	4,185	2,400	1,785	2,244	1,941
Total Liabilities	388,565	372,607	15,958	344,812	43,753
Shareholders' Equity	67,118	65,013	2,105	59,086	8,032
Total Liabilities & Equity	\$455,683	\$437,620	\$18,063	\$403,898	\$51,785

Financial Ratios

	Dec-21	Sep-21	Dec-20	Dec-21	Dec-20
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD
Performance Ratios					
Return on Average Assets	2.15%	2.22%	1.87%	2.09%	1.68%
Return on Average Equity	13.79%	14.43%	12.59%	13.51%	11.45%
Net Interest Margin	4.79%	4.55%	4.02%	4.50%	4.22%
Efficiency Ratio	52.95%	53.36%	53.25%	52.87%	52.22%
Capital					
Tier 1 Leverage Ratio	15.44%	15.21%	14.65%		
Common Equity Tier 1 Ratio	19.61%	19.73%	19.79%		
Tier 1 Risk-Based Capital Ratio	19.61%	19.73%	19.79%		
Total Risk-Based Capital Ratio	20.86%	20.98%	21.04%		
Book Value per Share	\$12.07	\$11.65	\$10.59		
Asset Quality					
Net Loan Charge-Offs (Recoveries)	(\$14)	(\$9)	(\$13)		
Allowance for Loan Losses to Loans	1.40%	1.42%	1.55%		
<i>Allowance Ratio, Excluding PPP Loans</i>	1.42%	1.48%	1.78%		
Nonperforming Assets to Total Assets	0.06%	0.07%	0.19%		

U & I Financial Corp.
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